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The Forestry Incentives Program: A Five-Year Summary

By George N. Brooks

Some critics point to lumber prices in relation to the high median cost of new homes as an example of what's wrong with the nation's economy. Undoubtedly, this issue will be debated for years to come in relation to recent estimates that future demands for timber will increase faster than the expected supply of wood—a situation that would mean bad news for prospective home-owners by the turn of the century. To forestall that development, leaders in forestry-related industries, businesses, and federal and state officials, as well as individual forest land-owners, worked with Congress to provide legislation that would stimulate greater production of wood and other forest resources.

The Forestry Incentives Program (FIP) was approved by the Congress in 1973 (Public Law 93-86) to "encourage the development, management, and protection of non-industrial, private forest-lands." The primary objective of the program is timber production, which distinguishes it from earlier cost-sharing legislation, the Soil Bank Program and the Agricultural Conservation Program (ACP)—all of which influenced the development of forest-land. These earlier programs had as their primary goal the conservation of soil and water resources.

FIP got off to an excellent start in 1974. Land-owners, as evidenced by the number of requests for cost-sharing, developed a high degree of enthusiasm for the program. Vendors were investing in new equipment, and increased production was planned for nurseries to provide the required planting stock in anticipation of land-owner demand for forestry services. But such was not the case. Program funds were not released until near the end of the program year. This development left a rather bad taste in the mouths of the forestry community. Many vendors had to sell out to meet their financial obligations, and state nurseries were left with an oversupply of tree seedlings.

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Challenge Acknowledged

Since 1976, the program has benefited from consistent and timely funding, and from an administration which has acknowledged the challenge to forestry to increase the level of management and production of wood on private, non-industrial ownerships. Meanwhile, the debate continues on the prospects of a wood shortage. Some contend that the forestry community has cried "wolf" before. They further contend, that should a shortage appear imminent, market forces would tend to adjust for supply and demand.

In 1978, the debate found its way back to the Congress. Once again it listened to testimony for and against the need to improve the productive capacity of private, non-industrial forest-lands. In the end, Congress passed the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313). Contained in Section 4 of the act was a new authority for FIP.

Significant Changes In Law

The new law provides for significant changes affecting land-owner eligibility. Previously limited to a maximum ownership of 500 acres, land-owners may now own up to 1,000 acres of forest-land and receive cost-sharing. Ownerships larger than 1,000 but less than 5,000 acres of forest-land may be eligible through waiver approval when it is deemed that the benefits are in the public interest. Such benefits include, but are not limited to, consideration of the opportunities to provide cost-effective timber production, the enhancement of aesthetics, recreational and wildlife resource values, water-shed protection, and control of erosion.

$15,000,000 Funding Approved

What has been the success of the FIP to date? Despite the continuing debate over how best to meet the nation's wood needs and the fact that the FIP has had its ups and downs, the program has generally been well accepted by land-owners and is gaining momentum—quite possibly faster than the capacity to complete the work. For example, Congress has once again approved FIP funding at $15 million. The South can expect to receive approximately 78 per cent of the total state

TABLE 1.—*FIP Accomplishments in the South*

State	1977			1978*
	Tree planting	*Timber stand improvements*	*Federal cost-share funds*	*Federal cost-share funds*
	acres	*acres*	*dollars*	*dollars*
AL	21,054	4,194	923,837	1,217,938
AR	6,725	16,928	627,200	867,142
GA	11,369	3,416	670,365	1,218,359
FL	6,490	568	243,590	473,360
KY	590	6,273	166,124	152,526
LA	6,619	5,746	429,558	555,905
MS	17,530	5,664	917,266	1,017,607
NC	24,062	2,614	1,180,761	1,156,066
OK	834	6,680	130,833	151,933
SC	11,675	1,525	628,983	973,621
TN	927	2,975	106,601	92,908
TX	9,176	5,373	543,494	687,367
VA	18,188	4,487	852,063	1,064,547
PR	79	—	8,466	12,192
	135,318	66,443	$7,429,141	$9,641,471

*Total acreage figures for tree planting and timber-stand improvement work in 1978 were not available at the time we went to press.

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allocation. Of more urgent concern is the large back-log of approved cases awaiting completion in the South. These have an estimated cost-share value of $17 million. This is almost double the total cost-shares expended in 1978 and poses a significant challenge to the forestry community.

Cost-shares paid to land-owners and acres of completed forestry practices reached a new high for the FIP in 1978 (table 1). Payments to land-owners in the nation totaled $12.6 million. Of more significance was the fact that 76 per cent, or $9.6 million of the above total, was paid to land-owners in the South. Cost-sharing in Georgia, Alabama, North Carolina, Virginia, and Mississippi exceeded $1 million. Georgia led the nation, with cost-share payments totaling $1,218,359; Alabama was a close second; however, more important was the increase in the South's over-all performance.

The success of the FIP this year will depend on many factors, including favorable weather, availability of planting stock, an adequate number of vendors, and most of all a total commitment to the task ahead.

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